

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

KING COUNTY, WASHINGTON, IOWA STUDENT LOAN LIQUIDITY
CORPORATION, Together and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

IKB DEUTSCHE INDUSTRIEBANK, AG; IKB CREDIT ASSET
MANAGEMENT, GmbH; MOODY'S INVESTORS SERVICE, INC.;
MOODY'S INVESTORS SERVICE LIMITED; THE MCGRAW-HILL
COMPANIES, INC. (d/b/a STANDARD & POOR'S RATINGS
SERVICES); FITCH, INC.; MORGAN STANLEY & CO.
INCORPORATED; MORGAN STANLEY & CO. INTERNATIONAL
LIMITED; WINIFRED REINKE and STEFAN ORTSEIFEN,

Defendants.

Civil Action
No. 09-cv-8387
(SAS)

(ECF Case)

**ANSWER OF DEFENDANTS STANDARD & POOR'S RATINGS
SERVICES AND THE MCGRAW-HILL COMPANIES, INC. TO
PLAINTIFFS' FIRST AMENDED CONSOLIDATED COMPLAINT**

Defendants Standard & Poor's Ratings Services ("Standard & Poor's")¹ and The McGraw-Hill Companies, Inc. (together with Standard & Poor's, "McGraw-Hill"), by their attorneys Cahill Gordon & Reindel LLP, as and for their Answer ("Answer") to Plaintiffs' First Amended Complaint ("Complaint"), state as follows.² This Answer responds only to the Complaint allegations against McGraw-Hill. No statement herein constitutes a comment as to the truth or falsity of allegations against IKB Deutsche Industriebank, AG, IKB Credit Asset Man-

¹ Standard & Poor's Ratings Services is currently a business unit of Standard & Poor's Financial Services LLC, a wholly owned subsidiary of McGraw-Hill. Prior to January 1, 2009, Standard & Poor's Ratings Services was an unincorporated division of McGraw-Hill.

² In this Answer, McGraw-Hill discusses certain documents cited by plaintiff in the Complaint including but not limited to news articles and publications. By responding to plaintiffs' allegations regarding such documents, McGraw-Hill does not concede that any such documents or statements therein are admissible. McGraw-Hill expressly reserves all objections to admissibility.

agement, GmbH, Moody's Investors Service, Inc., Moody's Investors Service Ltd., Morgan Stanley & Co., and/or Morgan Stanley & Co. International Ltd.; McGraw-Hill denies knowledge or information sufficient to form a belief as to such allegations. Likewise, no statement herein constitutes a comment on the legal theories upon which plaintiffs purport to proceed; to the extent the Complaint asserts legal contentions, such legal contentions require no response in this Answer and this Answer contains no response to legal contentions. To the extent any response is required to headings or other unnumbered paragraphs in the Complaint, McGraw-Hill denies allegations contained in the headings or other unnumbered paragraphs.

Answer to ¶ 1

McGraw-Hill denies all allegations contained in Paragraph 1 of the Complaint, except admits that Rhinebridge was a structured investment vehicle, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 2

McGraw-Hill denies the allegations contained in Paragraph 2 of the Complaint, except avers that in June 2007 Standard & Poor's assigned: an issuer credit rating of AAA/A-1+ to Rhinebridge PLC, a credit rating of AAA to Rhinebridge's medium term notes, a credit rating of A-1+ to Rhinebridge's commercial paper, no credit rating to Rhinebridge's senior capital notes, a credit rating of A to Rhinebridge's mezzanine capital notes, and a credit rating of BBB to Rhinebridge's combination capital notes, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 3

McGraw-Hill denies the allegations contained in Paragraph 3 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 4

McGraw-Hill denies the allegations contained in Paragraph 4 of the Complaint, except avers that in June 2007 Standard & Poor's assigned: an issuer credit rating of AAA/A-1+ to Rhinebridge PLC, a credit rating of AAA to Rhinebridge's medium term notes, a credit rating of A-1+ to Rhinebridge's commercial paper, no credit rating to Rhinebridge's senior capital notes, a credit rating of A to Rhinebridge's mezzanine capital notes, and a credit rating of BBB to Rhinebridge's combination capital notes, avers that, after earlier ratings actions, on October 19, 2007 Standard & Poor's assigned: an issuer credit rating of D to Rhinebridge PLC and a credit rating of D to Rhinebridge's medium term notes, commercial paper, mezzanine capital notes and combination capital notes, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 5

McGraw-Hill denies the allegations contained in Paragraph 5 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 6

McGraw-Hill denies the allegations contained in Paragraph 6 of the Complaint, except admits that the Rhinebridge SIV entered receivership on or around October 22, 2007 and

avers that on October 19, 2007 Standard & Poor's assigned: a rating of D to Rhinebridge's medium term notes, commercial paper, mezzanine capital notes and combination capital notes, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 7

McGraw-Hill denies the allegations contained in Paragraph 7 of the Complaint, except admits that Rhinebridge was a structured investment vehicle, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 8

McGraw-Hill denies the allegations contained in Paragraph 8 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 9

McGraw-Hill denies the allegations contained in Paragraph 9 of the Complaint, except respectfully refers to the document containing the quoted language (not including bold typeface or bracketed interlineations) for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 10

McGraw-Hill denies the allegations contained in Paragraph 10 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 11

McGraw-Hill denies the allegations contained in Paragraph 11 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 12

McGraw-Hill denies the allegations contained in Paragraph 12 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 13

McGraw-Hill denies the allegations contained in Paragraph 13 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 14

McGraw-Hill denies the allegations contained in Paragraph 14 of the Complaint, except admits that the Rhinebridge SIV entered receivership on or around October 22, 2007, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 15

McGraw-Hill denies the allegations contained in Paragraph 15 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 16

McGraw-Hill denies the allegations contained in Paragraph 16 of the Complaint, except McGraw-Hill denies knowledge or information sufficient to form a belief as to whether King County, Washington acquired senior notes, and McGraw-Hill admits, upon information and belief, that King County, Washington is a domestic public entity organized under the laws of the State of Washington.

Answer to ¶ 17

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 17, except denies the characterization of the meaning of ratings attached to Senior Notes.

Answer to ¶ 18

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 18.

Answer to ¶ 19

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 19.

Answer to ¶ 20

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 20.

Answer to ¶ 21

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraphs 18-20, and admits that Paragraph 21 of the Complaint purports to define the term “IKB” to include IKB Deutsche Industriebank AG, IKB Credit Asset Management GmbH, Winfried Reinke, and Stefan Ortseifen.

Answer to ¶ 22

McGraw-Hill denies the allegations contained in Paragraph 22 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 23

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 23.

Answer to ¶ 24

McGraw-Hill denies the allegations contained in Paragraph 24 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 25

McGraw-Hill denies the allegations contained in Paragraph 25 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 26

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 26, except admits that Paragraph 26 of the Complaint purports to define the term “Moody’s” to include Moody’s Investors Service, Inc. and its affiliates.

Answer to ¶ 27

McGraw-Hill denies the allegations contained in Paragraph 27 to the Complaint, except admits that Standard & Poor’s is currently a business unit of Standard & Poor’s Financial Services LLC, a wholly owned subsidiary of McGraw-Hill, admits that prior to January 1, 2009, Standard & Poor’s Ratings Services was an unincorporated division of McGraw-Hill, admits that Paragraph 27 of the Complaint purports to define the term “S&P” to include The McGraw-Hill Companies, Inc. and its affiliates, admits that McGraw-Hill is a New York corporation, and admits that McGraw-Hill has its principal place of business in New York, New York.

Answer to ¶ 28

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 28, except admits that Paragraph 28 of the Complaint purports to define the term “Fitch” to include Fitch, Inc., and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 29

McGraw-Hill admits that Paragraph 29 of the Complaint purports to define the term “Rating Agencies” to include Moody’s Investors Service, Inc. and its affiliates, The McGraw-Hill Companies, Inc. and its affiliates, and Fitch, Inc.

Answer to ¶ 30

McGraw-Hill denies the allegations contained in Paragraph 30 of the Complaint, except admits that McGraw-Hill has received fees in connection with the Rhinebridge SIV ratings, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 31

McGraw-Hill denies the allegations contained in Paragraph 31 of the Complaint, except to the extent the allegations of Paragraph 31 purport to describe the content of the Information Memoranda, respectfully refers to those documents for their complete content and context, and admits Plaintiffs purport to charge Morgan Stanley with violations of New York law, and admits Plaintiffs purport to charge Morgan Stanley with violations of New York law.

Answer to ¶ 32

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 32 of the Complaint, except denies, upon information and belief, that Rhinebridge sold loans.

Answer to ¶ 33

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 33 of the Complaint, except admits that Paragraph 33 of the

Complaint purports to define the term “California Lenders” to include the entities listed in Paragraph 33 of the Complaint.

Answer to ¶ 34

McGraw-Hill denies the allegations contained in Paragraph 34 of the Complaint, except denies knowledge or information sufficient to form a belief as to the citizenship of other parties, and admits that McGraw-Hill is a citizen of the State of New York.

Answer to ¶ 35

McGraw-Hill denies the allegations contained in Paragraph 35 of the Complaint, except admits that McGraw-Hill maintains its principal place of business in this District, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 36

McGraw-Hill denies the allegations contained in Paragraph 36 of the Complaint, except denies knowledge or information sufficient to form a belief regarding the truth or falsity of the allegations contained in the first two sentences of Paragraph 36 of the Complaint, admits, upon information and belief, that the terms of certain notes identified in Paragraph 36 are governed by New York law and respectfully refers to the Information Memoranda for the Rhinebridge SIV and/or other referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 37

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 37 of the Complaint, except avers, upon information and belief, that SIVs generally have both assets and liabilities, and generally issue short- and medium-term debt and purchase longer-term securities, seeking to earn a “spread.”

Answer to ¶ 38

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 38 of the Complaint, except avers, upon information and belief, that many SIVs issue liabilities denominated commercial paper, medium terms notes, and one or more categories of capital notes, and, to the extent the allegations of Paragraph 38 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context.

Answer to ¶ 39

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 39 of the Complaint, except avers that SIVs include a variety of assets, often including ABS, RMBS, and CDOs, and admits, upon information and belief, that RMBS are backed by residential mortgages.

Answer to ¶ 40

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 40 of the Complaint, except avers that in June 2007 Standard & Poor’s assigned: an issuer credit rating of AAA/A-1+ to

Rhinebridge PLC, a credit rating of AAA to Rhinebridge's medium term notes, a credit rating of A-1+ to Rhinebridge's commercial paper, no credit rating to Rhinebridge's senior capital notes, a credit rating of A to Rhinebridge's mezzanine capital notes, and a credit rating of BBB to Rhinebridge's combination capital notes.

Answer to ¶ 41

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 41 of the Complaint, except admits credit enhancement may be accomplished through structural subordination, and, to the extent the allegations contained in Paragraph 41 purport to describe the Information Memoranda or Standard & Poor's criteria and/or policy, respectfully refers to the referenced documents for their complete content and context.

Answer to ¶ 42

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 42 of the Complaint.

Answer to ¶ 43

McGraw-Hill denies the allegations contained in Paragraph 43 of the Complaint in that it seeks to apply a label to McGraw-Hill, except avers that at all relevant times Standard & Poor's continued to provide unsolicited opinions of creditworthiness and offer subscription-based ratings products, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 44

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or falsity of the allegations contained in Paragraph 44 of the Complaint, except admits that Standard & Poor's has been an NRSRO since 1975 and respectfully refers to the referenced Securities and Exchange Commission documents for their complete content and context.

Answer to ¶ 45

McGraw-Hill denies the allegations contained in Paragraph 45 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 46

McGraw-Hill denies the allegations contained in Paragraph 46 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 47

McGraw-Hill denies the allegations contained in Paragraph 47 of the Complaint, except admits that certain Standard & Poor's personnel used various data and inputs in various ways in connection with ratings assigned by Standard & Poor's to notes issued by Rhinebridge, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 48

McGraw-Hill denies the allegations contained in Paragraph 48 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 49

McGraw-Hill denies the allegations contained in Paragraph 49 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 50

McGraw-Hill denies the allegations contained in Paragraph 50 of the Complaint, except respectfully refers to the referenced *Bloomberg* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 51

McGraw-Hill denies the allegations contained in Paragraph 51 of the Complaint, except respectfully refers to the referenced *Bloomberg* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 52

McGraw-Hill denies the allegations contained in Paragraph 52 of the Complaint, except admits that Standard & Poor's issued ratings as to certain assets held by the Rhinebridge

SIV, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 53

McGraw-Hill denies the allegations contained in Paragraph 53 of the Complaint, except, to the extent that the allegations contained in Paragraph 53 purport to describe the operating instructions for the Rhinebridge SIV, McGraw-Hill respectfully refers to the operating instructions for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 54

McGraw-Hill denies the allegations contained in Paragraph 54 of the Complaint, except respectfully refers to the referenced Information Memoranda for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 55

McGraw-Hill denies the allegations contained in Paragraph 55 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 56

McGraw-Hill denies the allegations contained in Paragraph 56 of the Complaint, except, to the extent the allegations of Paragraph 56 purport to describe the content of the Information Memoranda or the operating instructions, respectfully refers to the referenced documents

for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 57

McGraw-Hill denies the allegations contained in Paragraph 57 of the Complaint, except respectfully refers to the referenced *Wall Street Journal* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 58

McGraw-Hill denies the allegations contained in Paragraph 58 of the Complaint, except denies knowledge or information sufficient to form a belief regarding the truth or falsity of the allegations contained in testimony quoted in Paragraph 58 of the Complaint, refers to the referenced transcripts of congressional hearing testimony for the complete content and context of that testimony, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 59

McGraw-Hill denies the allegations contained in Paragraph 59 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 60

McGraw-Hill denies the allegations contained in Paragraph 60 of the Complaint, except respectfully refers to the referenced Information Memoranda for their complete content

and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 61

McGraw-Hill denies the allegations contained in Paragraph 61 of the Complaint, except admits certain fees were paid to McGraw-Hill in connection with the Rhinebridge SIV ratings, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 62

McGraw-Hill denies the allegations contained in Paragraph 62 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 63

McGraw-Hill denies the allegations contained in Paragraph 63 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 64

McGraw-Hill denies the allegations contained in Paragraph 64 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 65

McGraw-Hill denies the allegations contained in Paragraph 65 of the Complaint, except admits that Standard & Poor's issued ratings as to certain assets held by the Rhinebridge SIV, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 66

McGraw-Hill denies the allegations contained in Paragraph 66 of the Complaint, except admits that McGraw-Hill obtained revenue in connection with ratings issued as to, *inter alia*, certain structured finance securities, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 67

McGraw-Hill denies the allegations contained in Paragraph 67 of the Complaint, respectfully refers to the referenced transcripts of congressional hearing testimony for the complete content and context of that testimony, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 68

McGraw-Hill denies the allegations contained in Paragraph 68 of the Complaint, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 69

McGraw-Hill denies the allegations contained in Paragraph 69 of the Complaint, except, to the extent the allegations of Paragraph 69 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 70

McGraw-Hill denies the allegations contained in Paragraph 70 of the Complaint, except avers that in June 2007 Standard & Poor's assigned: an issuer credit rating of AAA/A-1+ to Rhinebridge PLC, a credit rating of AAA to Rhinebridge's medium term notes, a credit rating of A-1+ to Rhinebridge's commercial paper, no credit rating to Rhinebridge's senior capital notes, a credit rating of A to Rhinebridge's mezzanine capital notes, and a credit rating of BBB to Rhinebridge's combination capital notes, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 71

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 71 of the Complaint.

Answer to ¶ 72

McGraw-Hill denies the allegations contained in Paragraph 72 of the Complaint, except, to the extent the allegations contained in Paragraph 72 purport to describe certain documents, respectfully refers to the referenced documents for their complete content and context,

and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 73

McGraw-Hill denies the allegations contained in Paragraph 73 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 74

McGraw-Hill denies the allegations contained in Paragraph 74 of the Complaint, except, to the extent the allegations contained in Paragraph 74 purport to describe certain documents, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 75

McGraw-Hill denies the allegations contained in Paragraph 75 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 76

McGraw-Hill denies the allegations contained in Paragraph 76 of the Complaint, except, to the extent the allegations of Paragraph 76 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 77

McGraw-Hill denies the allegations contained in Paragraph 77 of the Complaint, except, to the extent the allegations contained in Paragraph 77 purport to describe certain documents, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 78

McGraw-Hill denies the allegations contained in Paragraph 78 of the Complaint, except avers that in June 2007 Standard & Poor's assigned a credit rating of AAA to the medium term notes issued by the Rhinebridge SIV and a credit rating of A-1+ to the commercial paper issued by the Rhinebridge SIV, and avers that, after earlier ratings actions, on October 19, 2007 Standard & Poor's assigned: an issuer credit rating of D to Rhinebridge plc, a credit rating of D to the medium term notes, commercial paper, mezzanine capital notes and combination capital notes issued by the Rhinebridge SIV, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 79

McGraw-Hill denies the allegations contained in Paragraph 79 of the Complaint, except, to the extent the allegations of Paragraph 79 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 80

McGraw-Hill denies the allegations contained in Paragraph 80 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 81

McGraw-Hill denies the allegations contained in Paragraph 81 of the Complaint, except, to the extent the allegations of Paragraph 81 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 82

McGraw-Hill denies the allegations contained in Paragraph 82 of the Complaint, except denies knowledge or information sufficient to form a belief as to the basis for the purported “beliefs” referenced in Paragraph 82 of the Complaint, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 83

McGraw-Hill denies the allegations contained in Paragraph 83 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 84

McGraw-Hill denies the allegations contained in Paragraph 84 of the Complaint, except denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in the second sentence Paragraph 84 of the Complaint, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 85

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 85 of the Complaint.

Answer to ¶ 86

McGraw-Hill denies the allegations contained in Paragraph 86 of the Complaint, except respectfully refers to the referenced *Wall Street Journal* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 87

McGraw-Hill denies the allegations contained in Paragraph 87 of the Complaint, except respectfully refers to the referenced *Wall Street Journal* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 88

McGraw-Hill denies the allegations contained in Paragraph 88 of the Complaint, except admits, upon information and belief, that Arthur Levitt, Jr. made remarks on Novem-

ber 27, 2007 at a forum in Ontario and respectfully refers to the referenced statement by Arthur Levitt, Jr. for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 89

McGraw-Hill denies the allegations contained in Paragraph 89 of the Complaint, except admits, upon information and belief, that Christopher Cox provided a statement to Congress on April 22, 2008 and respectfully refers to the referenced statement by Christopher Cox for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 90

McGraw-Hill denies the allegations contained in Paragraph 90 of the Complaint, except admits, upon information and belief, that Christopher Cox made remarks on June 11, 2008 and respectfully refers to the referenced remarks by Christopher Cox for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 91

McGraw-Hill denies the allegations contained in Paragraph 91 of the Complaint, except admits that the SEC's Office of Compliance Inspections and Examinations released a report on July 8, 2008 that concerned three credit rating agencies and respectfully refers to that report for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 92

McGraw-Hill denies the allegations contained in Paragraph 92 of the Complaint, except admits that the SEC's Office of Compliance Inspections and Examinations released a report on July 8, 2008 and respectfully refers to that report for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 93

McGraw-Hill denies the allegations contained in Paragraph 93 of the Complaint, except admits that the SEC's Office of Compliance Inspections and Examinations released a report on July 8, 2008, respectfully refers to that report for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 94

McGraw-Hill denies the allegations contained in Paragraph 94 of the Complaint, except admits that Standard & Poor's issued ratings as to certain assets, including CDOs, held by the Rhinebridge SIV, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 95

McGraw-Hill denies the allegations contained in Paragraph 95 of the Complaint, except admits that the SEC's Office of Compliance Inspections and Examinations released a report on July 8, 2008 and respectfully refers to that report for its complete content and context,

and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 96

McGraw-Hill denies the allegations contained in Paragraph 96 of the Complaint, except respectfully refers to the referenced *Bloomberg* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 97

McGraw-Hill denies the allegations contained in Paragraph 97 of the Complaint, except respectfully refers to the referenced *Bloomberg* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 98

McGraw-Hill denies the allegations contained in Paragraph 98 of the Complaint, except admits that the SEC's Office of Compliance Inspections and Examinations released a report on July 8, 2008 and respectfully refers to that report for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 99

McGraw-Hill denies the allegations contained in Paragraph 99 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 100

McGraw-Hill denies the allegations contained in Paragraph 100 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 101

McGraw-Hill denies the allegations contained in Paragraph 101 of the Complaint, except respectfully refers to the referenced *Bloomberg* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 102

McGraw-Hill denies the allegations contained in Paragraph 102 of the Complaint, except admits that that an instant message communication between Shah and Mooney regarding a transaction unrelated to the Rhinebridge SIV included the quoted words (not including bold typeface or bracketed interlineations), and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 103

McGraw-Hill denies the allegations contained in Paragraph 103 of the Complaint, except admits that an email dated December 15, 2006 from an S&P employee included the quoted words in reference to transactions unrelated to the Rhinebridge SIV.

Answer to ¶ 104

McGraw-Hill denies the allegations contained in Paragraph 104 of the Complaint, except admits Jerome Fons testified on October 22, 2008 before the U.S. House of Representa-

tives' Committee on Oversight and Government Reform and respectfully refers to the referenced congressional testimony for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 105

McGraw-Hill denies the allegations contained in Paragraph 105 of the Complaint, except admits Jerome Fons testified on October 22, 2008 before the U.S. House of Representatives' Committee on Oversight and Government Reform and respectfully refers to the referenced congressional testimony for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 106

McGraw-Hill denies the allegations contained in Paragraph 106 of the Complaint, except respectfully refers to the referenced *New York Times* opinion editorial for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 107

McGraw-Hill denies the allegations contained in Paragraph 107 of the Complaint, except respectfully refers to the referenced *The Wall Street Journal* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 108

McGraw-Hill denies the allegations contained in Paragraph 108 of the Complaint, except respectfully refers to the referenced *Bloomberg* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 109

McGraw-Hill denies the allegations contained in Paragraph 109 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 110

McGraw-Hill denies the allegations contained in Paragraph 110 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 111

McGraw-Hill denies the allegations contained in Paragraph 111 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 112

McGraw-Hill denies the allegations contained in Paragraph 112 of the Complaint, except admits that certain operating instructions relating to the Rhinebridge SIV existed and, to the extent the allegations contained in Paragraph 112 purport to describe the operating instructions or documents relating to test results for Rhinebridge SIV McGraw-Hill, respectfully refers

to those documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 113

McGraw-Hill denies the allegations contained in Paragraph 113 of the Complaint, except admits that certain operating instructions relating to the Rhinebridge SIV existed and, to the extent the allegations contained in Paragraph 113 purport to describe the operating instructions or documents relating to test results for Rhinebridge SIV McGraw-Hill, respectfully refers to those documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 114

McGraw-Hill denies the allegations contained in Paragraph 114 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 115

McGraw-Hill denies the allegations contained in Paragraph 115 of the Complaint, except admits that certain operating instructions relating to the Rhinebridge SIV existed and, to the extent the allegations contained in Paragraph 115 purport to describe the operating instructions or documents relating to test results for Rhinebridge SIV McGraw-Hill, respectfully refers to those documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 116

McGraw-Hill denies the allegations contained in Paragraph 116 of the Complaint, except admits that certain operating instructions relating to the Rhinebridge SIV existed and, to the extent the allegations contained in Paragraph 116 purport to describe the operating instructions or documents relating to test results for Rhinebridge SIV McGraw-Hill, respectfully refers to those documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 117

McGraw-Hill denies the allegations contained in Paragraph 117 of the Complaint, except admits that certain operating instructions relating to the Rhinebridge SIV existed and, to the extent the allegations contained in Paragraph 117 purport to describe the operating instructions or documents relating to test results for Rhinebridge SIV McGraw-Hill, respectfully refers to those documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 118

McGraw-Hill denies the allegations contained in Paragraph 118 of the Complaint, except denies knowledge or information sufficient to form a belief as to what it is possible for plaintiffs to know, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 119

McGraw-Hill denies the allegations contained in Paragraph 119 of the Complaint, except admits that certain operating instructions relating to the Rhinebridge SIV existed and, to

the extent the allegations contained in Paragraph 119 purport to describe the operating instructions or documents relating to test results for Rhinebridge SIV McGraw-Hill, respectfully refers to those documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 120

McGraw-Hill denies the allegations contained in Paragraph 120 of the Complaint, except respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 121

McGraw-Hill denies the allegations contained in Paragraph 121 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 122

McGraw-Hill denies the allegations contained in Paragraph 122 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 123

McGraw-Hill denies the allegations contained in Paragraph 123 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 124

McGraw-Hill denies the allegations contained in Paragraph 124 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 125

McGraw-Hill denies the allegations contained in Paragraph 125 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 126

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 126 of the Complaint.

Answer to ¶ 127

McGraw-Hill denies the allegations contained in Paragraph 127 of the Complaint, except. to the extent Paragraph 127 refers to documents including the Information Memoranda, in which case McGraw-Hill respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 128

McGraw-Hill denies the allegations contained in Paragraph 128 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 129

McGraw-Hill denies the allegations contained in Paragraph 129 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 130

McGraw-Hill denies the allegations contained in Paragraph 130 of the Complaint, except denies knowledge or information sufficient to form a belief as to why investors bought Senior Notes, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 131

McGraw-Hill denies the allegations contained in Paragraph 131 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 132

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 132 of the Complaint.

Answer to ¶ 133

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 133 of the Complaint, except respectfully refers to the referenced *The Financial Times* article for its complete content and context.

Answer to ¶ 134

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 134 of the Complaint.

Answer to ¶ 135

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 135 of the Complaint, except respectfully refers to the referenced *CreditSights* article for its complete content and context.

Answer to ¶ 136

McGraw-Hill denies the allegations contained in Paragraph 136 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 137

McGraw-Hill denies the allegations contained in Paragraph 137 of the Complaint, except, to the extent the allegations of Paragraph 137 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 138

McGraw-Hill denies the allegations contained in Paragraph 138 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 139

McGraw-Hill denies the allegations contained in Paragraph 139 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 140

McGraw-Hill denies the allegations contained in Paragraph 140 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 141

McGraw-Hill denies the allegations contained in Paragraph 141 of the Complaint, except, to the extent the allegations contained in Paragraph 141 purport to describe Standard & Poor's criteria and/or policy, respectfully refers to the published criteria for SIVs and other published rating policies and information for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 142

McGraw-Hill denies the allegations contained in Paragraph 142 of the Complaint, except, to the extent the allegations contained in Paragraph 142 purport to describe Standard & Poor's criteria and/or policy, respectfully refers to the published criteria for SIVs and other published rating policies and information for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 143

McGraw-Hill denies the allegations contained in Paragraph 143 of the Complaint, except, to the extent the allegations contained in Paragraph 143 purport to describe Standard & Poor's criteria and/or policy, respectfully refers to the published criteria for SIVs and other published rating policies and information for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 144

McGraw-Hill denies the allegations contained in Paragraph 144 of the Complaint, except, to the extent the allegations of Paragraph 144 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 145

McGraw-Hill denies the allegations contained in Paragraph 145 of the Complaint, except admits that certain operating instructions relating to the Rhinebridge SIV existed and, to the extent the allegations contained in Paragraph 145 purport to describe the operating instructions or documents relating to test results for Rhinebridge SIV McGraw-Hill, respectfully refers to those documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 146

McGraw-Hill denies the allegations contained in Paragraph 146 of the Complaint, except denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the fourth sentence of Paragraph 146, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 147

McGraw-Hill denies the allegations contained in Paragraph 147 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 148

McGraw-Hill denies the allegations contained in Paragraph 148 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 149

McGraw-Hill denies the allegations contained in Paragraph 149 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 150

McGraw-Hill denies the allegations contained in Paragraph 150 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 151

McGraw-Hill denies the allegations contained in Paragraph 151 of the Complaint, except admits McGraw-Hill receives certain information related to U.S. loans, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 152

McGraw-Hill denies the allegations contained in Paragraph 152 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 153

McGraw-Hill denies the allegation contained in Paragraph 153 of the Complaint, except admits Frank Raiter and Deven Sharma gave testimony before Congress and respectfully refers to the referenced statements by Frank Raiter and Deven Sharma for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 154

McGraw-Hill denies the allegation contained in Paragraph 154 of the Complaint, except admits Frank Raiter and Deven Sharma gave testimony before Congress and respectfully refers to the referenced statements by Frank Raiter and Deven Sharma for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 155

McGraw-Hill denies the allegation contained in Paragraph 155 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 156

McGraw-Hill denies the allegations contained in Paragraph 156 of the Complaint, except respectfully refers to the referenced statements for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 157

McGraw-Hill denies the allegations contained in Paragraph 157 of the Complaint, except respectfully refers to the referenced statements for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 158

McGraw-Hill denies the allegations contained in Paragraph 158 of the Complaint, except respectfully refers to the referenced statements for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 159

McGraw-Hill denies the allegations contained in Paragraph 159 of the Complaint, except respectfully refers to the referenced statements for their complete content and context, and

denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 160

McGraw-Hill denies the allegations contained in Paragraph 160 of the Complaint, except avers that in June 2007 Standard & Poor's assigned: an issuer credit rating of AAA/A-1+ to Rhinebridge PLC, a credit rating of AAA to Rhinebridge's medium term notes, a credit rating of A-1+ to Rhinebridge's commercial paper, no credit rating to Rhinebridge's senior capital notes, a credit rating of A to Rhinebridge's mezzanine capital notes, and a credit rating of BBB to Rhinebridge's combination capital notes, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 161

McGraw-Hill denies the allegations contained in Paragraph 161 of the Complaint, except respectfully refers to the referenced statements for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 162

McGraw-Hill denies the allegations contained in Paragraph 162 of the Complaint, except respectfully refers to the referenced statements for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 163

McGraw-Hill denies the allegations contained in Paragraph 163 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 164

McGraw-Hill denies the allegations contained in Paragraph 164 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 165

McGraw-Hill denies the allegations contained in Paragraph 165 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 166

McGraw-Hill denies the allegations contained in Paragraph 166 of the Complaint, except respectfully refers to the referenced *Wall Street Journal* article for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 167

McGraw-Hill denies the allegations contained in Paragraph 167 of the Complaint, except respectfully refers to the referenced statements for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 168

McGraw-Hill denies the allegations contained in Paragraph 168 of the Complaint, except admits that certain Standard & Poor's employees have access to certain non-public information in accordance with applicable law, and refers to the referenced SEC regulation for its complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 169

McGraw-Hill denies the allegations contained in Paragraph 169 of the Complaint, except denies knowledge or information sufficient to form a belief as to the hypotheticals included in Paragraph 169, denies knowledge or information sufficient to form a belief as to the reasons the SEC permits use of Form S-3 in certain situations and refers to the referenced SEC regulations and forms for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 170

McGraw-Hill denies the allegations contained in Paragraph 170 of the Complaint, except refers to the Information Memoranda for the Rhinebridge SIV for a description of the role of Morgan Stanley, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 171

McGraw-Hill denies the allegations contained in Paragraph 171 of the Complaint, except refers to the Information Memoranda for the Rhinebridge SIV for a description of the role

of Morgan Stanley, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 172

McGraw-Hill denies the allegations contained in Paragraph 172 of the Complaint, except refers to the Information Memoranda for the Rhinebridge and Cheyne SIVs for a description of the role of Morgan Stanley, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 173

McGraw-Hill denies the allegations contained in Paragraph 173 of the Complaint, except refers to the Information Memoranda for the Rhinebridge SIV for a description of the role of Morgan Stanley, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill

Answer to ¶ 174

McGraw-Hill denies the allegations contained in Paragraph 174 of the Complaint, except refers to the Information Memoranda for the Rhinebridge SIV for a description of the role of Morgan Stanley, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill

Answer to ¶ 175

McGraw-Hill denies the allegations contained in Paragraph 175 of the Complaint, except admits that the language quoted in Paragraph 175 was included in an April 2006 internal Standard & Poor's email and respectfully refers to that document for its complete content and

context, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 176

McGraw-Hill denies the allegations contained in Paragraph 176 of the Complaint, except admits that the language quoted in Paragraph 176 (not including bold typeface or bracketed interlineations) was included in an August 2006 internal Standard & Poor's email and respectfully refers to that document for its complete content and context, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 177

McGraw-Hill denies the allegations contained in Paragraph 177 of the Complaint, except admits that the language quoted in Paragraph 177 (not including bold typeface or bracketed interlineations) was included in a December 2006 internal Standard & Poor's email and respectfully refers to that document for its complete content and context, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 178

McGraw-Hill denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations contained in Paragraph 178 of the Complaint, except refers to the Information Memoranda for the Cheyne SIV for a description of the roles of Morgan Stanley, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 179

McGraw-Hill denies the allegations contained in Paragraph 179 of the Complaint, except admits that the language quoted in Paragraph 179 (not including bold typeface or bracketed interlineations) was included in a March 2007 internal Standard & Poor's memorandum and respectfully refers to that document for its complete content and context, refers to the Information Memoranda for the Rhinebridge SIV for a description of the role of Morgan Stanley, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 180

McGraw-Hill denies the allegations contained in Paragraph 180 of the Complaint, except admits that the language quoted in Paragraph 180 (not including bold typeface or bracketed interlineations) was included in a March 2007 internal Standard & Poor's memorandum and respectfully refers to that document for its complete content and context, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 181

McGraw-Hill denies the allegations contained in Paragraph 181 of the Complaint, except, to the extent the allegations of Paragraph 181 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and admits upon information and belief that on June 28, 2007 the par value of the

Rhinebridge portfolio was approximately 2.38 billion, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 182

McGraw-Hill denies the allegations contained in Paragraph 182 of the Complaint, except admits that the language quoted in Paragraph 182 was included in a March 2007 internal Standard & Poor's e-mail message from an analyst holding the title of a director at Standard & Poor's and respectfully refers to that document for its complete content and context, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 183

McGraw-Hill denies the allegations contained in Paragraph 183 of the Complaint, except, to the extent the allegations of Paragraph 183 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 184

McGraw-Hill denies the allegations contained in Paragraph 184 of the Complaint, except, to the extent the allegations of Paragraph 184 purport to describe the content of the Information Memoranda, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 185

McGraw-Hill denies the allegations contained in Paragraph 185 of the Complaint, except admits that the language quoted in Paragraph 185 (not including bold typeface or bracketed interlineations) was included in a March 2007 e-mail and respectfully refers to that document for its complete content and context, and denies knowledge or information sufficient to form a belief regarding the truth or the falsity of the allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 186

McGraw-Hill denies the allegations contained in Paragraph 186 of the Complaint, except, to the extent the allegations of Paragraph 186 purport to describe the content of the Information Memoranda or operating instructions, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 187

McGraw-Hill denies the allegations contained in Paragraph 187 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 188

McGraw-Hill denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph 188 of the Complaint.

Answer to ¶ 189

McGraw-Hill denies the allegations contained in Paragraph 189 of the Complaint, except, to the extent that the allegations purport to characterize a September 1, 2006 email refers to that documents for their complete content and context, and to the extent that the allegations contained in Paragraph 189 purport to describe the operating instructions for the Rhinebridge SIV, McGraw-Hill respectfully refers to the operating instructions for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 190

McGraw-Hill denies the allegations contained in Paragraph 190 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 191

McGraw-Hill denies the allegations contained in Paragraph 191 of the Complaint, except, to the extent that the allegations contained in Paragraph 191 purport to describe the operating instructions for the Rhinebridge SIV, McGraw-Hill respectfully refers to the operating instructions for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 192

McGraw-Hill denies the allegations contained in Paragraph 192 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 193

McGraw-Hill denies the allegations contained in Paragraph 193 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 194

McGraw-Hill denies the allegations contained in Paragraph 194 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 195

McGraw-Hill denies the allegations contained in Paragraph 195 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 196

McGraw-Hill denies the allegations contained in Paragraph 196 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 197

McGraw-Hill denies the allegations contained in Paragraph 197 of the Complaint, except avers that, after earlier ratings actions, on October 19, 2007 Standard & Poor's assigned: an issuer credit rating of D to Rhinebridge plc, a credit rating of D to the medium term notes, commercial paper, mezzanine capital notes and combination capital notes issued by the Rhinebridge SIV, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 198

McGraw-Hill denies the allegations contained in Paragraph 198 of the Complaint, except avers that in June 2007 Standard & Poor's assigned: an issuer credit rating of AAA/A-1+ to Rhinebridge PLC, a credit rating of AAA to the medium term notes issued by the Rhinebridge SIV, a credit rating of A-1+ to the commercial paper issued by the Rhinebridge SIV, no credit rating to the senior capital notes issued by the Rhinebridge SIV, a credit rating of A to the mezzanine capital notes issued by the Rhinebridge SIV, and a credit rating of BBB to the combination capital notes issued by the Rhinebridge SIV, avers that, after earlier ratings actions, on October 19, 2007 Standard & Poor's assigned: an issuer credit rating of D to Rhinebridge plc, a credit rating of D to the medium term notes, commercial paper, mezzanine capital notes and combination capital notes issued by the Rhinebridge SIV, admits that the Rhinebridge SIV entered receivership on or around October 22, 2007, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 199

McGraw-Hill denies the allegations contained in Paragraph 199 of the Complaint, except admits that plaintiffs purports to bring this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure and admits that Paragraph 199 purports to exclude certain individuals and entities from the proposed Class.

Answer to ¶ 200

McGraw-Hill denies the allegations contained in Paragraph 200 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 201

McGraw-Hill denies the allegations contained in Paragraph 201 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 202

McGraw-Hill denies the allegations contained in Paragraph 202 of the Complaint.

Answer to ¶ 203

McGraw-Hill denies the allegations contained in Paragraph 203 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 204

McGraw-Hill denies the allegations contained in Paragraph 204 of the Complaint.

Answer to ¶ 205

McGraw-Hill repeats and restates its answers set forth in the preceding Paragraphs, inclusive, as if fully set forth herein.

Answer to ¶ 206

To the extent Paragraph 206 of the Complaint purports to assert claims against entities other than McGraw-Hill, it requires no response. To the extent Paragraph 206 requires a response, McGraw-Hill denies the allegations contained in Paragraph 206, except admits plaintiffs purport to bring a claim for common law fraud against all Defendants.

Answer to ¶ 207

McGraw-Hill denies the allegations contained in Paragraph 207 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 208

McGraw-Hill denies the allegations contained in Paragraph 208 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 209

McGraw-Hill denies the allegations contained in Paragraph 209 of the Complaint, except, to the extent the allegations of Paragraph 209 purport to describe the contents of various documents, respectfully refers to the referenced documents for their complete content and context, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 210

McGraw-Hill denies the allegations contained in Paragraph 210 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill. To the extent Paragraph 210 of the Complaint purports to repeat and reallege allegations contained in other Paragraphs of the Complaint, McGraw-Hill repeats and restates its answers to those Paragraphs as if fully set forth herein.

Answer to ¶ 211

McGraw-Hill denies the allegations contained in Paragraph 211 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill. To the extent Paragraph 211 of the Complaint purports to repeat and reallege allegations contained in other Paragraphs of the Complaint, McGraw-Hill repeats and restates its answers to those Paragraphs as if fully set forth herein.

Answer to ¶ 212

McGraw-Hill denies the allegations contained in Paragraph 212 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 213

McGraw-Hill denies the allegations contained in Paragraph 213 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 214

McGraw-Hill denies the allegations contained in Paragraph 214 of the Complaint, except admits that the Rhinebridge SIV entered receivership on or around October 22, 2007, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 215

McGraw-Hill denies the allegations contained in Paragraph 215 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 216

McGraw-Hill denies the allegations contained in Paragraph 216 of the Complaint, except admits that certain Standard & Poor's employees have access to certain non-public information in accordance with applicable law, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 217

McGraw-Hill denies the allegations contained in Paragraph 217 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 218

McGraw-Hill denies the allegations contained in Paragraph 218 of the Complaint, except admits that certain Standard & Poor's employees have access to certain non-public infor-

mation in accordance with applicable law, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 219

McGraw-Hill denies the allegations contained in paragraph 219 of the Complaint, except refers to the Information Memoranda for the Rhinebridge SIV for a description of the role of Morgan Stanley, and denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill.

Answer to ¶ 220

McGraw-Hill denies the allegations contained in Paragraph 220 of the Complaint, except denies knowledge or information sufficient to form a belief as to allegations directed to any defendant other than McGraw-Hill. McGraw-Hill does not accept that the “notice” provided by plaintiffs in the footnote to Paragraph 220 of the Complaint has any legal effect.

Answer to ¶ 221

To the extent Paragraph 221 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 221 requires a response, McGraw-Hill denies the allegations contained in Paragraph 221 of the Complaint.

Answer to ¶ 222

To the extent Paragraph 222 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 222 requires a response, McGraw-Hill denies the allegations contained in Paragraph 222 of the Com-

plaint, except admits Plaintiffs purport to bring a claim for aiding and abetting common law fraud against IKB Bank and IKB CAM.

Answer to ¶ 223

To the extent Paragraph 223 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 223 requires a response, McGraw-Hill denies the allegations contained in Paragraph 223 of the Complaint.

Answer to ¶ 224

To the extent Paragraph 224 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 224 requires a response, McGraw-Hill denies the allegations contained in Paragraph 224 of the Complaint.

Answer to ¶ 225

To the extent Paragraph 225 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 225 requires a response, McGraw-Hill denies the allegations contained in Paragraph 225 of the Complaint.

Answer to ¶ 226

To the extent Paragraph 226 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 226 requires a response, McGraw-Hill denies the allegations contained in Paragraph 226 of the Complaint.

plaint, except admits Plaintiffs purport to bring a claim for aiding and abetting common law fraud against Morgan Stanley.

Answer to ¶ 227

To the extent Paragraph 227 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 227 requires a response, McGraw-Hill denies the allegations contained in Paragraph 227 of the Complaint.

Answer to ¶ 228

To the extent Paragraph 228 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 228 requires a response, McGraw-Hill denies the allegations contained in Paragraph 228 of the Complaint.

Answer to ¶ 229

To the extent Paragraph 229 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 229 requires a response, McGraw-Hill denies the allegations contained in Paragraph 229 of the Complaint.

Answer to ¶ 230

To the extent Paragraph 230 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 230 requires a response, McGraw-Hill denies the allegations contained in Paragraph 230 of the Complaint.

plaint, except admits Plaintiffs purport to bring a claim for aiding and abetting common law fraud against Stefan Ortseifen.

Answer to ¶ 231

To the extent Paragraph 231 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 231 requires a response, McGraw-Hill denies the allegations contained in Paragraph 231 of the Complaint.

Answer to ¶ 232

To the extent Paragraph 232 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 232 requires a response, McGraw-Hill denies the allegations contained in Paragraph 232 of the Complaint.

Answer to ¶ 233

To the extent Paragraph 233 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 233 requires a response, McGraw-Hill denies the allegations contained in Paragraph 233 of the Complaint.

Answer to ¶ 234

To the extent Paragraph 234 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 234 requires a response, McGraw-Hill denies the allegations contained in Paragraph 234 of the Complaint.

plaint, except admits Plaintiffs purport to bring a claim for aiding and abetting common law fraud against Winfried Reinke.

Answer to ¶ 235

To the extent Paragraph 235 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 235 requires a response, McGraw-Hill denies the allegations contained in Paragraph 235 of the Complaint.

Answer to ¶ 236

To the extent Paragraph 236 of the Complaint purports to assert a claim solely against an entity other than McGraw-Hill, it requires no response. To the extent Paragraph 236 requires a response, McGraw-Hill denies the allegations contained in Paragraph 236 of the Complaint.

GENERAL DENIAL

McGraw-Hill denies any wrongdoing and, except as expressly admitted in Paragraphs 1 through 236 above, denies all allegations of plaintiffs' Complaint, and specifically denies that Plaintiffs are entitled to any of the relief prayed for against McGraw-Hill in the Complaint. McGraw-Hill expressly reserves the right to amend and/or supplement this Answer and Affirmative Defenses.

DEFENDANTS' AFFIRMATIVE DEFENSES

McGraw-Hill does not relieve plaintiffs of proving under the appropriate standard of proof all elements of the claim that plaintiffs allege and does not undertake any burdens that properly rest upon plaintiffs.

McGraw-Hill hereby reserves the right to adopt any and all other defenses asserted or to be asserted by any other defendant, and reserves the right to assert additional affirmative defenses as necessary and appropriate, to the extent such defenses are affirmative defenses and are applicable to the claim against McGraw-Hill.

For its further and separate affirmative defenses to the Complaint and the claim against McGraw-Hill plaintiffs purport to assert therein, McGraw-Hill avers:

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

Plaintiffs had actual or constructive knowledge of some or all of the facts alleged in the Complaint upon which McGraw-Hill's liability is asserted at the times that plaintiffs purchased notes issued by the Rhinebridge SIV; therefore, plaintiffs assumed the risk that notes issued by the Rhinebridge SIV would default or decline in value. Furthermore, plaintiffs knew or should have known the risks associated with the Rhinebridge SIV, and plaintiffs assumed the risk that they might be damaged by acquiring notes issued by the Rhinebridge SIV.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

Plaintiffs have failed to mitigate any damages they may have suffered.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

Recovery for damages, if any, allegedly incurred by plaintiffs is subject to offset in the amount of any tax or other benefits actually received in connection with such investments.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE

Any alleged untrue statements of material fact, omissions of material fact, misleading statements, or other challenged statements made by McGraw-Hill are rendered non-actionable by the common law bespeaks caution doctrine.

AS AND FOR A FIFTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred in whole or in part by the applicable statute of limitations and the doctrines of waiver, estoppel, ratification, unclean hands, laches, and/or *in pari delicto*.

AS AND FOR A SIXTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred, in whole or in part, because the statements challenged constitute opinions that are not actionable.

AS AND FOR A SEVENTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred, in whole or in part, by lack of standing.

AS AND FOR AN EIGHTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred, in whole or in part, to the extent of any accord and satisfaction, arbitration and award, release or any other matter constituting an avoidance or affirmative defense set forth in Rule 8(c) of the Federal Rules of Civil Procedure, or otherwise, all of which to the extent applicable are incorporated herein as if specifically set forth.

AS AND FOR A NINTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred to the extent New York common law does not apply extraterritorially to any foreign conduct alleged in the Complaint.

AS AND FOR A TENTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred, in whole or in part, because any change in the market value of any Notes held by Plaintiffs was the result of market forces and/or other factors, and not Standard & Poor's alleged wrongful conduct.

AS AND FOR AN ELEVENTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred, in whole or in part, because Standard & Poor's lacked the requisite scienter required for liability.

AS AND FOR A TWELFTH AFFIRMATIVE DEFENSE

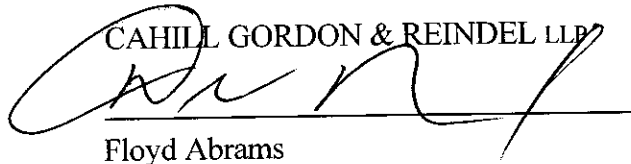
Plaintiffs' claim against McGraw-Hill is barred, in whole or in part, because the action may not be maintained as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

AS AND FOR A THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiffs' claim against McGraw-Hill is barred, in whole or in part, Plaintiffs did not rely on the alleged misrepresentation or omissions.

WHEREFORE, McGraw-Hill respectfully requests that a final judgment be entered in its favor dismissing the Complaint with prejudice; awarding McGraw-Hill the reasonable costs of this action, including reasonable attorneys' fees; and granting McGraw-Hill such other and further relief as the Court deems just and proper.

Dated: New York, New York
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